not the Government re-opened certain toll-gates that had been abolished?

Mr. S. P. RAJAGOPALACHARI.—Yes, in particular cases.

Mr. B. S. PUTTASWAMY.—Are the Government aware that the Madras Government is contemplating to re-impose the tolls?

Mr. S. P. RAJAGOPALACHARI.—I hear so.

Sugar Factory in Shimoga Taluk.

Q.—38. Mr. V. V. IYER (Shimoga Taluk).—

Will the Government be pleased to state:—

(*a*) is it not a fact that people are urging for opening a sugar factory in Shimoga Taluk to improve their economic condition; what action has so far been taken on their representations;

(*b*) is it a fact that, before Mandya Factory was started, crop loan was given to the raiyats to encourage sugar-cane cultivation?

A.—The SECRETARY to GOVERNMENT, DEVELOPMENT DEPARTMENT (Mr. M. Venkatanaranappa).—

(*a*) Yes. A committee has been appointed to examine the question and their report is now under the consideration of Government.

(*b*) No.

Mr. V. V. IYER.—With reference to answer to (*a*), what is the purport of the report?

Mr. M. VENKATANARANAPPA.—Sorry, I cannot summarise the report here.

Mr. V. V. IYER.—When was the report received?

Mr. M. VENKATANARANAPPA.—About 2 or 3 weeks ago.

Mr. V. V. IYER.—Are the committee in favour of opening a sugar factory there?

Mr. M. VENKATANARANAPPA.—That will be known when the orders of Government are passed on the report.

Mr. V. V. IYER.—Are the Government aware that as a result of construction of the Bhadra Channel, sugar-cane cultivation has increased by 50 to 60 per cent?

Mr. M. VENKATANARANAPPA.—Perhaps that matter also is dealt with in the report.

Mr. V. V. IYER.—Until a factory is opened in the Shimoga Taluk, will the Government kindly arrange for exporting the sugar-cane grown there to the Mandya Factory?

Mr. M. VENKATANARANAPPA.—That question is under consideration.

Mr. Tudki RAMANNA GOWDA.—Were there any non-official members on that committee, and if so, who were they?

Mr. M. VENKATANARANAPPA.—Yes; Messrs. H. Siddaiya, T. G. Narayana Iyengar and N. Rama Rao and possibly one another.

Mr. Tudki RAMANNA GOWDA.—Did the committee include any representatives of the agricultural interests?

Mr. M. VENKATANARANAPPA.—Yes, and the Director of Agriculture was on the committee.

Mr. V. V. IYER.—How many meetings or sittings did the committee hold and who were the witnesses examined by them?

Mr. M. VENKATANARANAPPA.—I want notice; but I may say that Mr. V. V. Iyer himself was one of the witnesses examined.

Mr. Y. V. GUNDU RAO.—Was the investigation taken up with a view to improving the economic condition of the tract?

Mr. M. VENKATANARANAPPA.—Partly so.

Mr. Y. V. GUNDU RAO.—Will the Government similarly consider the question of opening sugar factories in other areas which are economically poor and where sugar-cane cultivation can be encouraged?

Mr. M. VENKATANARANAPPA.—Notice.

The Three Per Cent Loan.

Q.—41. Mr. Rattehalli RAMAPPA (Sagar Municipality).—

Will the Government be pleased to state:—

(*a*) what is the object of raising 3 per cent loans;

(*b*) what is the total amount of loan required;

(*c*) (1) What is the amount subscribed till now; (2) what is the time fixed for subscribing to the loans;

(*d*) out of the amount subscribed, how much was received from Mysoreans and how much from outsiders?

A.—**The FINANCIAL SECRETARY to GOVERNMENT (Mr. S. Shamanna).**—

(*a*) The financing of productive capital works;

(*b*) It was intended to receive from Rs. 50 to 70 lakhs.

(*c*) (1) Rs. 44·75 lakhs till 28th April 1936.

(2) No time limit is fixed. Government have reserved power to close the loan at any time without notice.

(*d*) It is not possible to say which of the applicants are Mysoreans.

Mr. Rattehalli RAMAPPA.—What are the productive capital works referred to in the answer to (*a*)?

Mr. S. SHAMANNA.—Please see the Dewan's Opening Address.

Mr. Rattehalli RAMAPPA.—Is not electrification of towns one such capital work; if so, will any part of the loan amount be applied for that purpose?

Mr. S. SHAMANNA.—Yes.

Mr. Rattehalli RAMAPPA.—With reference to answer (*d*), how much has been subscribed by Mysoreans and how much by non-Mysoreans?

Mr. S. SHAMANNA.—It is not possible to say that. To give an example, when the Mysore Bank obtains bonds in its own name and hands them over to different subscribers, we do not know which of such subscribers are Mysoreans and which non-Mysoreans.

Mr. Tudki RAMANNA GOWDA.—Since the money is intended for financing productive works, is there any idea of giving loans to land mortgage banks?

Mr. S. SHAMANNA.—It is not necessary to finance land mortgage banks from these amounts. There are other funds meant for that purpose.

Mr. Malur SUBBA RAO.—What is the difficulty in ascertaining the names of all the subscribers individually?

Mr. S. SHAMANNA.—It is not always possible to do so because, in many cases bonds are first obtained by banks and given over to the subscribers, and they may be subsequently transferred from person to person.

Mr. B. L. BYANNA.—From this amount, cannot the Government grant loans to the Bangalore City Municipality at a lower rate of interest than hitherto?

Mr. S. SHAMANNA.—That is a different question.

Mr. Belur SRINIVASIENGAR.—Even though Rs. 44·75 lakhs have been received already, even the latest issue of the Gazette contains the Notification calling for subscriptions to the loan. Why do the Government want more money and for what purposes will it be utilised?

Mr. S. SHAMANNA.—The purposes for which money is required are so many.

Mr. Belur SRINIVASIENGAR.—The budget provides for payment of interest on only Rs. 50 lakhs. Supposing an additional Rs. 20 lakhs of loan are taken, how will the interest charges be met?

Mr. S. SHAMANNA.—In the same way in which other extra expenditure is met, *i.e.*, by reappropriation or by getting an extra grant. The budget, after all, is only an estimate. We cannot say definitely what amount of loan we will get actually and how much interest we shall have to pay.

Mr. Belur SRINIVASIENGAR.—Wherefrom will the Financial Secretary find the extra money for the interest charges?

Mr. S. SHAMANNA.—This is a general question relating to all items of extra expenditure and it is not possible to explain it in detail now.

Mr. K. T. BHASHYAM AIYANGAR.—We have raised loans in the past at very high rates of interest. Will it not be advisable for the Government to discharge those high-rated loans from the amount borrowed now?

Mr. S. SHAMANNA.—The question of repayment arises only when the loans fall due for repayment. The amount cannot be forced back upon anybody before the maturity of the bonds.